

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

SUMMARY

Housing Affordability, Real Estate Law and Mortgages Work Group Norfolk Marriott Waterside, 235 E. Main Street, Norfolk, VA 23510 Chesapeake Room 1 & 2 November 18, 2009; 11:00 AM

Members Present: Delegate John Cosgrove, Delegate Danny Marshall, Michele Watson, Robert Bradshaw, Neal Barber, James Naggles, Barrett Stork, Mark Courtney, Helen O'Brien, Shea Hollifield, Mark Flynn, Chip Dicks, Kelly Harris Braxton, Andrew Friedman, Barrett Hardiman

I. Welcome and Call to Order- 11:05 A.M.

Delegate John A. Cosgrove- Chair

II. Chinese Drywall

Colleen Stephens- Chinese Drywall Friends/Family

- Discussed her personal experience;
- Medical issues include rash, sinus infection, chronic cough, asthma, neuromuscular issues and migraines;
- Corrosive effects include blackening of mirrors, cables, wires, doorknobs and jewelry;
- People are paying mortgages on homes they cannot inhabit.

John Ainslie- President; The Ainslie Group

- 315 million square feet, or approximately 6.5 million sheets, have been affected since 2005;
- Went to China for drywall production because of the hurricanes and housing boom back in 2004-2006;
- Homeowners and builders are keeping quiet because they are afraid their insurance will drop them;
- Chinese drywall is not a toxic product, but does cause short term health effects;
- Do not have concrete evidence that it causes long term health problems;
- Chinese drywall effects copper, chrome and silver;
- Builders are not remediating the problem because there is no protocol to do so.

Bill DeSteph- Virginia Beach Councilman

- Local level accomplishments: city attorney has banned it's usage in Virginia Beach, dropped the assessed value to \$100 and property value remains the same;
- This should be listed as a defected product in both state and federal levels;

DELEGATE JOHN A. COSGROVE
DELEGATE ROSALYN R. DANCE
DELEGATE ROBERT D. HULL
DELEGATE DANIEL W. MARSHALL, III
DELEGATE G. GLENN ODER

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F. GARY GARCZYNSKI
T. K. SOMANATH
MELANIE S. THOMPSON

- Trying to decipher if it's a bacteria in the drywall and how to remedy it;
- Working with Virginia Natural Gas to see how quickly the Chinese drywall could erode gas pipes.

Robert Bradshaw- Independent Insurance Agents of Virginia

- Total cost to repair house: \$5-8 billion;
- There has been no increase in insurance rates due to presence of Chinese drywall;
- Discussed various exclusions behind the denial of insurance claims;
- Insurance will get involved once the health questions are answered.

Emory Rodgers- DHCD

- Issue surfaced in the fall of 2008;
- Health risks and long term effects of corrosion are not yet defined federally;
- Need concrete federal action to take place before anything can be put into the building codes;
- No way to tell if they can remove the drywall from the homes or if they will need to tear them down and rebuild.

III. Public Comment

IV. Adjourn- 12:30 P.M.